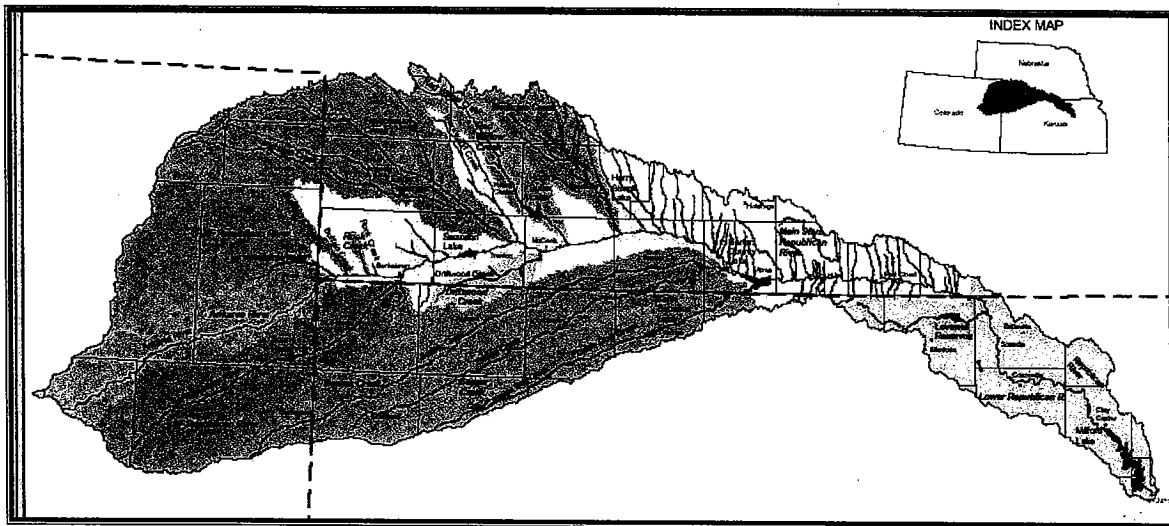


REPUBLICAN RIVER COMPACT ADMINISTRATION

FORTY-SIXTH ANNUAL REPORT

FOR THE YEAR 2006



Junction City, Kansas

August 15, 2007

KAN. EXHIBIT 49
Kan v. Neb. & Colo., No. 126, Orig.
Arbitration Initiated 10/21/08

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committee, and 3) accounting results. As the committee envisions it, the user's manual will not repeat the accounting procedures nor the content of the groundwater model documentation which includes procedures used by each state to assemble its data for the groundwater model.

The accounting spreadsheet includes an input page which is a listing of all the data used in the subsequent computations. Besides the model outputs, each input cell is the responsibility of one of the states, with the state of Nebraska compiling much of the federal data. The Engineering Committee representatives agreed that each state will develop documentation for the data it inputs into the spreadsheet noting where the data is obtained and how the data is processed prior to input into the spreadsheet.

The assignment was not completed. Each state developed an outline of its data which was shared with the other states. The assignment should be continued next year.

The second assignment was to complete the accounting for 2006 using the preliminary information provided by April 15, 2007 and the final exchange by July 15, 2007. As per the settlement's requirements, each state exchanged its model data sets and supporting data and other accounting data by April 15 or shortly thereafter. The states exchanged final model data sets and supporting data by July 15 or shortly thereafter. On August 9, Colorado reported that it had discovered a minor error in its data and as a result, Willem Schreuder did an updated run which is considered final by the Engineering Committee. Final data sets were collected by the Committee for streamflow, climatological information, diversion records, and reservoir evaporation records of the three states and in cooperation with the U.S. Geological Survey, U.S. Bureau of Reclamation, and U.S. Army Corps of Engineers for 2006.

The 2006 model input and accounting data is considered final. The accounting of the virgin water supply, the computed water supply, and the beneficial consumptive uses in the Republican River Basin was not completed due to disputes regarding the following matters: a) non-federal reservoir evaporation below Harlan County Lake, b) division of evaporative charges from Harlan County Lake for 2006, and c) while Nebraska believes that the current method of model runs properly calculates the mound credit, it believes it improperly includes, in its consumptive use computation, some consumption of the imported water. The Committee was not able to reach consensus on these three matters.

The third assignment was for the Engineering Committee to continue to work to resolve different recharge and return flow methods. Kansas continues to believe that with the limitations placed on irrigation diversions in Nebraska in recent years, continued use of an irrigation efficiency of 80% applied to all diversions in Nebraska results in an overestimation of irrigation recharge. While the Engineering Committee had discussion on this matter, little effort was given to the assignment. The Engineering Committee further recommends continuing this assignment.

The fourth assignment was to develop a resolution regarding the Harlan County Lake evaporation split when only one state takes a release. Kansas offered a proposal by the November 15, 2006 deadline set by the Administration for resolution of the matter. The Committee has not yet reached agreement.

The fifth assignment was to add documentation requirements of acreage retirement to the user's manual. Both Colorado and Nebraska reported significant reduction in irrigation